



Florida House of Representatives

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SPEAKER RUBIO, HOUSE LEADERS PROPOSE RESPONSIBLE, IMMEDIATE PROPERTY TAX RELIEF

House Plan rolls back property tax rates this year, caps the rate of revenue growth of state and local government, limits property tax increases on non-homestead property and eliminates all property taxes on homestead properties

TALLAHASSEE, FL – Following through on their 100 Ideas efforts, House Speaker Marco Rubio, Chairman Ray Sansom, and other House leaders this morning unveiled a comprehensive property tax relief proposal designed to cut Floridians' property tax bills by nearly 20 percent this year. In addition to reducing property tax bills by nearly one-fifth, the House leaders' relief plan caps the rate of revenue growth for both state and local government at reasonable levels and gives voters the option of abolishing property taxes on homestead properties and replacing it with a modest increase in the sales tax.

"When we traveled the state last year listening to Floridians' ideas, we heard a common refrain. Property taxes have grown so burdensome that homeowners and business owners fear being forced out of the homes and businesses that they have worked so hard to build," said Speaker Marco Rubio (R-Miami). "Floridians were adamant: timid tweaks to the status quo will not do. Our proposal is a bold idea that provides comprehensive reform and meaningful tax relief to all Florida property owners."

Bringing real property tax relief to Floridians was Idea 96 in the House's 100 Innovative Ideas for Florida's Future.

"Government should not grow faster than its citizens' ability to afford it, but that is exactly what has happened throughout Florida these past few years," added Representative Ray Sansom (R-Destin). "We want to make sure that taxpayers are getting value from government. Our plan recognizes that it doesn't matter how much money government spends, but how wisely it spends the money it collects that really counts. Our plan will ensure all governments in Florida spend smarter and are more accountable to the taxpayers."

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“Property tax relief is about more than just the money,” said House Majority Leader Marty Bowen (R-Haines City). “It’s about bringing financial security to Florida’s families. It’s about giving peace of mind to homeowners and business owners that property taxes will not force them to abandon their plans and dreams for their families’ future.”

Parts of the tax relief proposal will be workshopped in the House this week in the Committee on State Affairs on Wednesday and the Policy & Budget Council on Friday. The components of the House’s plan are described below:

Meaningful Property Tax Relief This Year

1. Effective July 1 of this year, property taxes for Floridians will be reduced by nearly 20%.
2. With an adjustment forward for a reasonable increase in the size and cost of government, local government millage will be reduced to a rate generating the same tax revenue as was generated in the previous year.
3. The rate of growth for government will be determined by population growth plus inflation set off a base year of 2000-2001.
4. Local governments may choose to raise revenues above the capped rate through a 2/3 or a majority plus one vote, whichever is greater, of their governing body. These limits do not apply to taxes levied for school districts, for bond repayments, or for a two-year period when authorized by a vote of electors.
5. School district revenues would not be rolled back.

Property Tax Reform Constitutional Amendment

1. In a 2007 special election, voters would have the option of eliminating all property taxes on homestead property.
2. In addition to eliminating property taxes on homestead property, starting in Fiscal Year 2008-09, state revenue growth would be limited to a reasonable amount that would be allowed under a prescribed formula that accounts for population growth and inflation since 2001-2002.
3. For the first time, Medicaid revenues would be placed within the revenue growth limitation. Currently these revenues are excluded from the state’s revenue limitation.
4. The state revenue limit may be exceeded in any year by a 2/3 vote of each legislative chamber.
5. The constitutional amendment would also limit the continued rapid expansion of local government by containing millage to a rate that produces the same tax revenue as was generated in the previous year plus population growth and inflation, excluding new construction and annexation. The revenue cap may be exceeded through a unanimous vote of the governing body.
6. School districts would not see their budgets reduced under the House’s plan. The future growth of school district budgets from property tax revenues would be limited by the amendment, but state government could choose to put more state revenue into schools.

Abolishing Property Taxes on Homestead Property

1. If the elimination of taxes on homestead property is passed by the voters, the state sales tax will be increased by 2.5 cents on all transactions subject to sales tax to offset revenue losses to local governments, schools and other entities that used property tax revenues.

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2. This additional sales tax will be used to replace revenues lost due to the Constitutional Amendment.
3. This replacement revenue will only be implemented if voters approve the Constitutional Amendment that exempts homestead property from property tax.

Statewide Savings for Property Owners Under House Property Tax Relief Plan

Statewide Savings This Year

\$5.77 Billion Total

19% Total Savings

Average Taxpayer Savings

Homestead Property Owner:	\$433
Non-Homestead Residential Property Owner:	\$767
Commercial Property Owner:	\$3,353

Statewide Savings Upon Passage of Constitutional Amendment

\$13.55 Billion Total Property Tax Reduction

\$7.78 Billion in Sales Tax Replacement

\$5.77 Billion in Total Tax Savings

Average Taxpayer Savings

Homestead Property Owner:	\$2,283
Non-Homestead Residential Property Owner:	\$767
Commercial Property Owner:	\$3,353

Average Savings in Selected Localities

Property Tax Relief This Year

	Homestead Property Owner	Non-Residential Homestead	Commercial	% Savings
Broward County	\$ 290	*	\$ 3,571	13
Ft. Lauderdale	\$ 539	*	\$ 6,646	19
Miami-Dade County	\$ 490	\$ 912	\$ 4,356	21
City of Miami	\$ 1,007	\$ 1,873	\$ 8,949	29
Duval County	\$ 91	\$ 110	\$ 577	5
Escambia County	\$ 114	\$ 213	\$ 804	11
Pensacola	\$ 166	\$ 309	\$ 1,166	12

	Homestead Property Owner	Non-Residential Homestead	Commercial	% Savings
Hillsborough County	\$ 324	\$ 403	\$ 2,846	14
Tampa	\$ 533	\$ 664	\$ 4,685	18
Lee County	\$ 471	\$ 863	\$ 3,948	21
Cape Coral	\$ 926	\$ 1,695	\$ 7,754	31
Leon County	\$ 140	\$ 149	\$ 963	8
Tallahassee	\$ 268	\$ 286	\$ 1,849	13
Orange County	\$ 247	\$ 377	\$ 3,393	12
Orlando	\$ 403	\$ 615	\$ 5,527	14
Palm Beach County	\$ 519	\$ 833	\$ 4,978	18
West Palm Beach	\$ 1,059	\$ 1,701	\$ 10,163	25
Pinellas County	\$ 319	\$ 566	\$ 2,627	17
St. Petersburg	\$ 526	\$ 935	\$ 4,338	20

* not available at this time

Property Tax Relief Upon Passage of Constitutional Amendment

	Homestead Property Owner	Non-Residential Homestead	Commercial
Broward County	\$ 2213	*	\$ 3,571
Ft. Lauderdale	\$ 2867	*	\$ 6,646
Miami-Dade County	\$ 2354	\$ 912	\$ 4,356
City of Miami	\$ 3514	\$ 1,873	\$ 8,949
Duval County	\$ 1791	\$ 110	\$ 577
Escambia County	\$ 1034	\$ 213	\$ 804
Pensacola	\$ 1331	\$ 309	\$ 1,166
Hillsborough County	\$ 2279	\$ 403	\$ 2,846

Tampa	\$ 3009	\$ 664	\$ 4,685
	Homestead Property Owner	Non-Residential Homestead	Commercial
Lee County	\$ 2269	\$ 863	\$ 3,948
Cape Coral	\$ 3013	\$ 1,695	\$ 7,754
Leon County	\$ 1727	\$ 149	\$ 963
Tallahassee	\$ 2115	\$ 286	\$ 1,849
Orange County	\$ 2099	\$ 377	\$ 3,393
Orlando	\$ 2846	\$ 615	\$ 5,527
Palm Beach County	\$ 2879	\$ 833	\$ 4,978
West Palm Beach	\$ 4285	\$ 1,701	\$ 10,163
Pinellas County	\$ 1914	\$ 566	\$ 2,627
St. Petersburg	\$ 2624	\$ 935	\$ 4,338

* not available at this time

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